

April 2023

Federal Income Tax Information Regarding the Distribution of Madison Square Garden Entertainment Corp. Common Stock

On April 20, 2023, Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp., the “Company”), distributed approximately 67% of the outstanding common stock of Madison Square Garden Entertainment Corp. (formerly MSGE Spinco, Inc., “MSGE Spinco”) constituting at least 90% of the combined voting power of the outstanding MSGE Spinco common stock with respect to the election of directors to Class A and Class B shareholders of record as of the close of business on April 14, 2023. Class A stockholders of the Company received one share of MSGE Spinco Class A common stock for every one share of the Company Class A common stock they held as of the record date. Each Class B stockholder of the Company received one share of MSGE Spinco Class B common stock for every one share of the Company Class B common stock they held as of the record date. As a result of this distribution, MSGE Spinco became a separate publicly traded company.

On April 20, 2023, the Company changed its name to Sphere Entertainment Co. and changed its NYSE symbol from “MSGE” to “SPHR.” MSGE Spinco changed its name to Madison Square Garden Entertainment Corp. and is listed on the NYSE under the symbol “MSGE.” Sphere Entertainment Co. owns approximately 33% of the outstanding shares of MSGE Spinco in the form of MSGE Spinco Class A common stock.

The Company obtained an opinion from outside legal counsel to the effect that the stockholders of the Company should not recognize any gain or loss for income tax purposes upon receipt of MSGE Spinco common stock (except in connection with cash received in lieu of fractional shares). Stockholders will, however, recognize gain or loss upon a subsequent sale of the shares of the Company or upon sale of MSGE Spinco shares received in the distribution. For a more detailed discussion of the material United States federal income tax consequences and risk factors related to the distribution, please see the Form 10 filed by MSGE Spinco with the United States Securities and Exchange Commission which can be accessed at <https://www.sec.gov/edgar/searchedgar/companysearch.html>.

Based on April 21, 2023, trading prices of SPHR (formerly MSGE) common stock and MSGE common stock, the companies believe that it is appropriate to allocate 55% of your pre-distribution federal income tax basis in the common stock of the Company to your MSGE common stock and 45% to your SPHR common stock. These allocation percentages apply to both Class A and Class B common stock. The tax basis allocation regarding the Class A and Class B common stock should be computed separately. If you held shares of the Company with different tax bases, you must allocate your federal income tax basis on a “block-by-block” basis. A sample worksheet is enclosed to assist you in determining the tax basis of the SPHR common stock and the MSGE common stock received in the distribution. The worksheet also illustrates how you would determine gain or loss regarding cash received in lieu of MSGE fractional shares.

United States Treasury Department Regulations require that “Significant Distributees”, defined as certain shareholders who, immediately before the distribution, (i) in the case of a holder of Company Class A common stock, owned 5% or more (by vote or value) of the total outstanding Company common stock, (ii) in the case of a holder of Company Class B common stock, owned 1% or more (by vote or value) of the total outstanding common stock, or (iii) owned Company securities with an aggregate tax basis of \$1 million or more, sign and attach to their federal income tax return that includes April 20, 2023 a statement containing certain information about the distribution of the MSGE Spinco common stock. A sample statement is enclosed.

The information in this letter, the sample statement and the sample worksheet does not constitute tax advice. In addition, these materials do not purport to be complete or to describe the tax consequences that may apply to particular categories of stockholders. Each stockholder should consult their own tax advisor as to the tax consequences of the distribution under U.S. federal, state, local and foreign tax laws.

ATTACHMENT TO U.S. FEDERAL INCOME TAX RETURN FOR THE PERIOD INCLUDING
APRIL 20, 2023 FOR SIGNIFICANT DISTRIBUTEES:

STATEMENT PURSUANT TO §1.355-5(b) by [INSERT NAME AND TAXPAYER
IDENTIFICATION NUMBER (IF ANY) OF TAXPAYER], A SIGNIFICANT DISTRIBUTEE.

1. The undersigned owned Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp., the “Company”) common stock on April 20, 2023. On such date the undersigned received one share of MSGE common stock for each share of Company common stock owned.
2. The names and Employer Identification Numbers of the distributing and controlled corporations are:

Distributing

Sphere Entertainment Co.¹ (formerly Madison Square Garden Entertainment Corp.)

EIN: 84-3755666

NYSE: SPHR (formerly MSGE)

Controlled

Madison Square Garden Entertainment Corp. (formerly MSGE Spinco, Inc.)

EIN: 92-0318813

NYSE: MSGE

3. On April 20, 2023, immediately prior to the distribution, the aggregate tax basis of Company common stock owned by the undersigned was \$ _____.
4. The aggregate fair market value of the stock and other property (including money) the undersigned received pursuant to the distribution is \$ _____.

Signature

Print Name:

Taxpayer Identification Number:

Date:

¹ In connection with the distribution of MSGE common stock, Madison Square Garden Entertainment Corp. changed its name to Sphere Entertainment Co. and changed its NYSE stock symbol from “MSGE” to “SPHR.”

TAX BASIS IN SPHR COMMON STOCK AND MSGE COMMON STOCK RECEIVED IN THE DISTRIBUTION ON APRIL 20, 2023

You can use the worksheet below to allocate your federal income tax basis in your Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp., the “Company”) Class A and Class B common stock owned on April 14, 2023 (the record date), between SPHR common stock and the MSGE common stock received in the distribution. If you sell your SPHR common stock or MSGE common stock, you can use this tax basis allocation to determine taxable gain or loss. Please note: In connection with the distribution of MSGE Spinco, Inc.’s common stock, Madison Square Garden Entertainment Corp. changed its name to Sphere Entertainment Co. and changed its NYSE stock symbol from “MSGE” to “SPHR.”

Based on the April 21, 2023 (i.e., the first full trading day after the Distribution) trading prices of SPHR common stock and MSGE common stock, the companies believe that it is appropriate to allocate 55% of your pre-distribution federal income tax basis in Company common stock to your MSGE common stock and 45% to your SPHR common stock. These allocation percentages apply to both Class A and Class B common stock.

To use this worksheet, you will need to determine the tax basis of your common stock of the Company immediately prior to the distribution of MSGE common stock. If you bought shares of the Company at various times, and therefore with different tax bases, you must perform the calculations below for each purchase (i.e., on a "block-by-block" basis). You also need to perform the calculations below for each class of the Company’s common stock you owned before the distribution.

WORKSHEET FOR ALLOCATION OF TAX BASIS FOR COMMON SHARES

Calculate your tax basis per share in **MSGE** common stock:

$$\begin{array}{ccccccc}
 \boxed{} & \times & 0.55 & = & \boxed{} & / & \boxed{} & = & \boxed{} \\
 \text{Your original tax basis in} & & & & \text{Your basis in new} & & \text{Your number of shares} & & \text{Your tax basis per share in (including} \\
 \text{MSGE common stock} & & & & \text{MSGE common stock} & & & & \text{fractional shares) MSGE common stock}
 \end{array}$$

Calculate your tax basis per share in **SPHR** common stock:

$$\begin{array}{ccccccc}
 \boxed{} & \times & 0.45 & = & \boxed{} & / & \boxed{} & = & \boxed{} \\
 \text{Your original tax basis in} & & & & \text{Your basis in} & & \text{Your number of shares} & & \text{Your tax basis per share in (including} \\
 \text{MSGE common stock} & & & & \text{SPHR common stock} & & & & \text{fractional shares) SPHR common stock}
 \end{array}$$

CALCULATION OF MSGE COMMON STOCK FRACTIONAL SHARE TAX BASIS

$$\begin{array}{ccccccc}
 \boxed{} & \times & \boxed{} & = & \boxed{} \\
 \text{Your tax basis per share in} & & \text{Number of fractional shares} & & \text{Tax basis of} \\
 \text{MSGE common stock} & & & & \text{fractional MSGE shares}
 \end{array}$$

GAIN/LOSS FROM SALE OF MSGE FRACTIONAL SHARES

$$\begin{array}{ccccccc}
 \boxed{} & - & \boxed{} & = & \boxed{} \\
 \text{Cash received for} & & \text{Tax basis of} & & \text{Gain/loss from} \\
 \text{fractional shares of} & & \text{fractional shares} & & \text{MSGE fractional} \\
 \text{MSGE common stock} & & & & \text{shares sold}
 \end{array}$$

THIS WORKSHEET DOES NOT CONSTITUTE TAX ADVICE. PLEASE CONSULT YOUR TAX ADVISOR.